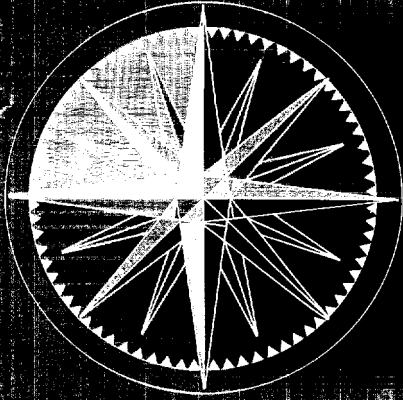


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SPECIAL REPORT

THE SITUATION IN LAOS

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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1 November 1963

THE SITUATION IN LAOS

Premier Souvanna, who is expected back in Laos next week after a two-month trip abroad, will return to a situation distressingly familiar. The kingdom remains divided into pro- and anti-Communist camps, and key cabinet ministers whose loyalties are with the pro-Communist Pathet Lao have withdrawn from Vientiane to the hinterlands controlled by Pathet Lao forces. In the northwest, Chinese Communist influence is growing, abetted by the opportunistic leanings of General Khamouane, strong man of Phong Saly Province. Reunification of Laos--the proclaimed goal of the provisional government formed by the opposing factions in July 1962--appears more remote than ever.

Political Situation

Souvanna Phouma, long the avowed neutralist, remains the key figure in the precarious coalition structure. He is perhaps the only Lao leader capable of keeping the Pathet Lao, led by his half-brother Souphannouvong, at least nominally in the same government with the right-wing faction, led by Phoumi Nosavan. However, Souvanna himself has modified

his views in the 16 months since the signing of the Geneva Accords. At first willing to accept the bona fides of both the Chinese Communists and the North Vietnamese, Souvanna has reacted to Communist pressures on his regime by moving toward closer cooperation with General Phoumi's faction. Last spring Souvanna approved the creation of a joint command on the Plaine des Jarres over his own and Phoumi's military



SOUPHANNOUVONG



SOUVANNA PHOUMA



PHOUMI NOSAVAN

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forces, requested US arms for his neutralist forces, and openly charged the North Vietnamese with violating the Geneva Accords by sending troops into Laos.

Perhaps lulled by the annual monsoon moratorium on fighting, Souvanna has lately muted his criticism of the North Vietnamese. While he does not deny that North Vietnamese are present in Laos, he has recently said that should a neutralist regime emerge in South Vietnam, the Laotian problem would solve itself because the North Vietnamese would no longer need to use the country as a corridor to South Vietnam. During his recent visit to Paris, Souvanna even went so far as to lend support to French President de Gaulle's call for a reunified Vietnam, but termed it a "long-term goal."

General Phoumi remains firmly in control of the right-wing faction. Although strongly opposed to the coalition concept, he acceded to this solution under Western pressure. He is still convinced, however, that the coalition will ultimately collapse because the Pathet Lao are basically unwilling to settle for less than full control of the government. Pending that collapse, Phoumi has been active in maintaining and strengthening his position. With continuing Western support and massive forays into the national treasury, he has managed to keep his ponderous military apparatus intact. He also managed last spring to improve his

tactical position by regaining several positions on and around the Plaine des Jarres which had been lost during the early part of 1961.

Phoumi will probably continue his pro forma support of the coalition until either Souvanna or the Pathet Lao abandon the effort and precipitate its dissolution. Phoumi would then be prepared to present the West with a difficult choice: either resume support to his conservative factions to counter the Pathet Lao, or see the Communists move in and take over the country. Phoumi probably feels, therefore, that as long as he can keep his forces in hand, time and a continuation of his show of support for the coalition will work to his advantage.

The Pathet Lao show no sign that they will not continue to combine political with military pressure in order to gain control over Laos. Frustrated in their attempts to use Souvanna as their pawn following the formation of the coalition, the Pathet Lao sought to bring into being a "true neutralist" faction utilizing the late foreign minister, Quinim Pholsena, and the dissident neutralist Colonel Deuane as the front men. This scheme was set back when Quinim was assassinated last April. The Pathet Lao then switched tactics and moved to gain full military control over positions formerly held jointly by neutralist and Pathet Lao forces.

SECRET

SECRET

In the next three months, Pathet Lao forces took over Ban Ban, Khang Khay, Phong Savan, Xieng Khouang town, Lak Sao, Nhommarath, Mahaxay, and Muong Phine. In Phong Saly, General Khamouane has gradually swung toward a "true neutralist" position like that of Colonel Deuane.

The Pathet Lao, like General Phoumi, still seem to find the coalition regime a useful tool in their efforts to undermine the governmental fabric. Their posture enables them to cloak their dissident activities more effectively; the term "rebel" is not easily applied to a faction holding portfolios in the government.

The long-term prognosis for the coalition appears dim. Souvanna's patience is not infinite and under continued provocation he may toss in the towel and retire to France. Within both the Pathet Lao and Phoumi's faction there are elements which are impatient and would like to provoke a clash which might involve their foreign supporters. However long the coalition survives, it is highly unlikely that it will be more than a shell, with the real political forces operating outside and independently of it.

Military Postures

The end of the rainy season finds both sides strength-

ening their positions in strategically important areas. The condition of the ground will soon permit more extensive military activities.

Key arteries into Laos from North Vietnam have already been reopened, and Communist resupply activities have been noted along Route 7 into the Plaine des Jarres area, along Routes 12 and 8 into central Laos, and along various routes leading to the Tchepone region farther south. Supplies--destined for Khamouane and Pathet Lao forces--apparently are also moving from China along roads and trails into border areas of northern Laos.

The recent build-up has substantially renewed the ability of Communist forces to move in strength against right-wing and neutralist positions throughout Laos. It is likely, however, that the Communists will continue to keep their operations well below a level which they believe might provoke Western intervention.

The most significant military development since the formation of the government has been the shift of the neutralists commanded by Kong Le from a posture of collaboration with the Pathet Lao to a firm anti-Communist stance. This shift was made definitive last April when the Pathet Lao, attacking on the Plaine des Jarres, forced

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the neutralists to seek support from Phoumi's right-wing troops. Since that time, the neutralist forces--originally equipped with bloc arms--have been almost entirely re-equipped with US weapons at the request of Premier Souvanna. The neutralists have also benefited from the administrative skills of General Amkha Soukhavong, a senior Lao-tian army officer who joined the neutralist forces last spring, and who has significantly tightened up their organization.

In spite of the preponderant numbers of the right-wing and neutralist forces, the Pathet Lao, when supported by the first-rate North Vietnamese fighters--present both within Pathet Lao formations and as separate units--have on many occasions demonstrated that they possess the capability to move almost at will against conservative resistance. During the coming dry season, these Communist forces may be expected to move gradually to expand the territory under their control as well as to establish control over areas they already claim are within their "zone." They might seek to expand their holdings on the Plaine des Jarres area (perhaps with the intention of establishing a logistics link with Communist forces north of Vang Vieng near Phou Khoun), in the region north of Nhommarath with the intent of opening Route 8, or farther south in an effort to gain full control over Route 23, a key road leading south from Muong Phine into southern Laos. It is likely, however,

STRENGTHS OF OPPOSING MILITARY FORCES IN LAOS
(Estimated)

FAR* Regulars under Phoumi Nosavan	57,000
FAR Self-Defense Forces	10,000
Pro-FAR Guerrillas (Meo, Yao, Kha)	19,000
Neutralist Forces under Kong Le	7,000
Total Anti-Communist Forces	93,000
Pathet Lao Forces	19,500
"True Neutralists" under Colonel Deuane	500
North Vietnamese	7,000
Total Pro-Communist Forces	27,000
Independent Forces under General Khamouane	2,000

*Forces Armées du Royaume

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1 Nov 1963

that the bulk of their efforts will be directed to clearing operations against the troublesome Meo, Yao, and Kha armed tribal minorities which have been challenging Pathet Lao control over large areas in northern and eastern Laos.

Operation of Geneva Agreements

The International Control Commission (ICC)--established by the Geneva Conference in 1962 to supervise the implementation of the conference agreements and composed of Indian, Canadian and Polish representatives--has proved ineffective. It has made several investigations, but in no case has found evidence of the presence of foreign troops. Delaying actions by the Polish

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member of the ICC and strict investigative limitations imposed by the Pathet Lao within their areas have combined to prevent any meaningful or timely inspections.

In one area, however, the ICC teams appear to have been useful to the anti-Communists. During the spring fighting on the Plaine des Jarres, a team was sent there on a "temporary but continuous" basis to conduct an inspection. The team

has remained there ever since and may have contributed to inhibiting open Pathet Lao attacks on the region. Souvanna has indicated a desire to have others stationed at sensitive points throughout the country where their presence might deter Communist aggressive moves. Both the Indian and Canadian delegates have indicated they would be willing to comply with Souvanna's request. (SECRET NO FOREIGN DISSEM)

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